

PERFORMANCE BUDGET



Fiscal Year 2007

U. S. Railroad Retirement Board

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Introduction

The Railroad Retirement Board (RRB) has developed this performance budget for fiscal year 2007 to support our mission (see Figure 1 on the following page) and to communicate our intentions for meeting challenges and seeking opportunities. We will use the plan to hold managers accountable for achieving program results and to improve program effectiveness and public accountability by promoting a renewed focus on results, service quality, and customer satisfaction. We will also use the plan to help managers improve service delivery by requiring that they plan for meeting program objectives and by providing them with information about program results and service quality.

This plan is closely linked to our **Strategic Plan for Fiscal Years 2003 - 2008** and can be easily cross-referenced to that plan. The President's budget identified a set of government-wide reforms that agencies are expected to carry out over the next several years. These reforms are reflected in this performance budget in order to communicate our intentions for meeting these challenges. We will hold managers accountable for achieving these reforms, thereby making our agency more citizen-centered, and results-oriented.

The performance budget provides detailed performance goals, performance indicators and target levels to guide agency managers as they implement our Strategic Plan. It also communicates our plans to our stakeholders, including the railroad community, the Administration, the Congress, and other government agencies. It is one part of a comprehensive set of interlocking plans that cover all major aspects of agency operations. In this plan, we have established specific performance goals (with performance indicators and projected performance levels) to be achieved in fiscal year 2007. Additionally, it supports our other functional plans required to manage the agency. These functional plans include the **Customer Service Plan** and the **Information Technology Capital Plan**. These plans result in the annual submission of the agency budget to OMB and the Congress.

The RRB's strategic and performance goals are presented in the sections following our mission statement. Information on anticipated performance in fiscal year 2007 for each performance goal, at the President's proposed budget level of \$103.5 million, is provided in the Exhibit.

In support of the President's Management Agenda initiative to improve financial performance, by November 15, 2007, we will prepare and submit to the President and the Congress a report on program performance for fiscal year 2007, as part of our combined Performance and Accountability Report. The report will be audited by the RRB's Office of Inspector General (OIG) to help ensure the reliability and utility of our performance information. The reported information will be derived from agency systems and will compare the performance goals and indicators to actual program performance for that fiscal year. This performance budget meets the requirements of the Government Performance and Results Act and was prepared by RRB employees.

Figure 1

***RAILROAD RETIREMENT BOARD
MISSION STATEMENT***

The RRB's mission is to administer retirement/survivor and unemployment/sickness insurance benefit programs for railroad workers and their families under the Railroad Retirement Act and the Railroad Unemployment Insurance Act. These programs provide income protection during old age and in the event of disability, death or temporary unemployment and sickness. The RRB also administers aspects of the Medicare program and has administrative responsibilities under the Social Security Act and the Internal Revenue Code.

In carrying out its mission, the RRB will pay benefits to the right people, in the right amounts, in a timely manner, and will take appropriate action to safeguard our customers' trust funds. The RRB will treat every person who comes into contact with the agency with courtesy and concern, and respond to all inquiries promptly, accurately and clearly.

Strategic Goal I: *Provide Excellent Customer Service.* We aim to satisfy our customers' expectations for quality service both in terms of service delivery options and levels and manner of performance. At the President's proposed budget level, we plan to allocate \$79,149,382 and 699 full-time equivalent employees to this goal. We have established four performance goals that focus on the specifics of achieving this strategic goal.

Performance Goal I-A: *Pay benefits accurately and timely.* The RRB is committed to ensuring that we pay the right benefits to the right people in a timely manner. We have a number of measures in place to track the accuracy and timeliness of the actions we take in a year regarding both Railroad Retirement Act (RRA) and Railroad Unemployment Insurance Act (RUIA) programs.

The principal indicators of **accuracy** are the benefit payment and case accuracy rates in each program. Our performance goal is to ensure that we can continue to meet or exceed 99 percent payment accuracy in the payments we initiate or manually adjust in a given year. (Payment accuracy is defined as the percentage of dollars paid correctly as a result of the adjudication action performed.) We have also established case accuracy goals (the percentage of cases paid without material error) so that at least 94 percent of cases handled under the RRA are accurate, and that at least 97 percent of those paid under the RUIA are handled correctly. To accomplish these goals, we will:

- *Monitor payment and case accuracy and identify problems.*
- *Provide feedback and take additional preventive actions as appropriate.*
- *Ensure accurate, up-to-date, accessible instructions to support our front-line employees as they provide customer support.*
- *Inform our customers about their responsibilities.*
- *Ensure that the Customer Service Plan is comprehensive and is revised when appropriate.*
- *Monitor key payment workloads.*

In accordance with the Improper Payments Information Act of 2002, the RRB has reviewed its benefit payment programs and has concluded they do not have significant improper payments as defined by OMB guidance M-03-13. In fiscal year 2005, the RRB's Office of General Counsel reviewed the approach and fiscal year 2004 data used by the Office of Programs to develop the improper payments submission for the Fiscal Year 2005 Performance and Accountability Report. The review resulted in some minor reductions in several categories of estimated improper payments, but concluded that, overall, the approach used had merit. Furthermore, in May 2005, the RRB's General Counsel issued a legal opinion confirming that the RRB was interpreting OMB's guidance in M-03-13 correctly. We will continue to monitor our benefit payment programs and take the necessary action to minimize improper payments.

Our performance in the area of benefit **timeliness** is also a key indicator of our customer service. We have a customer service plan with timeliness standards (i.e., targets for when to expect the service requested) in 10 separate claims processing service categories, as shown in the Exhibit to this performance budget. The composite for our actual overall performance for

fiscal year 2005 in these 10 categories is 98.7 percent. (The composite of our performance targets was 96.3 percent.) This means that customers received benefit services within the

Overall Timeliness Performance Fiscal Year 2005
<ul style="list-style-type: none">• Retirement applications: 94.3% (target: 92.6%)• Survivor applications: 95.3% (target: 89.3%)• Disability applications/payments: 81.5% (target: 73.9%)• RUIA applications/claims: 99.8% (target 97.8%)

various timeframes promised in the Customer Service Plan for over 98 percent of the services provided. We have also developed composite indicators to illustrate our performance in our four major benefit areas. (See adjacent box.)

The disability program has shown marked improvement during the past year. However, lack of funding may prevent further improvement in the disability program and

may jeopardize continued high levels of performance in all areas.

Performance Goal I-B: Provide relevant, timely, and accurate information which is easy to understand. In addition to making payments, we provide a variety of information to our customers. We provide general information through our web-site, publications, and our toll-free automated Help Line. We also provide information to individuals through annual statements of wages and compensation, annuity estimates, notices of annuity and benefit awards and changes, annual income tax statements, and answers to questions regarding benefits. It is important that we provide this information in a timely manner and in ways that are accessible and responsive to the individual's needs. The information must also be meaningful to the customer and easy to understand. The timeliness of our information is measured by how well we succeed in achieving the levels of service designated in our Customer Service Plan and by maintaining acceptable workload balances. Customer feedback through American Customer Satisfaction Index (ACSI) surveys and directly from customers helps us determine whether the information we are providing satisfies our customers' needs and expectations. We conducted an ACSI survey in fiscal year 2005, and plan one in fiscal year 2006 and again in fiscal year 2007. To accomplish this objective, we will:

- *Listen to our customers to determine their expectations and whether those expectations are being met.*
- *Adjust our Customer Service Plan or our processes, based on customer feedback.*
- *Monitor key informational workloads.*
- *Focus on interactive electronic solutions that provide immediate responses and intermediate status updates.*

Performance Goal I-C: Provide a range of choices in service delivery methods. To fulfill customers' needs, we must provide high quality, accurate services on a timely basis, and in ways that are accessible and convenient to all our customers, including the elderly and those with impairments. Consistent with our vision statement, we strive to provide a broad range of choices for customer service. In fiscal year 2006, the Board Members hired a consultant to assist in developing a 5-year plan that will include consolidation, co-location, and/or the

establishment of virtual offices in the field. The plan is to identify out-year savings without serious erosion of customer service.

Our level of performance will be measured by how well we succeed in providing the level of service our customers expect, and by the number of new electronic services we can provide in each program at a reasonable cost. Our goal is to expand customer choice by offering alternative access to our major services. To achieve this objective, over the course of the next 5 years, we plan to:

- *Provide our customers with information as well as the ability to apply for benefits over the Internet.*
- *Provide additional services through the interactive voice recognition telephone system.*
- *Seek customers' service delivery preferences.*

Performance Goal I-D: Ensure efficient and effective business interactions with covered railroad employers. To correctly pay benefits, the RRB must receive timely and accurate reports of the compensation and service months of covered employees. It is the responsibility of the employer to provide these reports with respect to its employees. To ensure the receipt of accurate and timely annual reports, as well as the proper filing of other reports and forms, the RRB must strive for a system of reporting which is easily understood, places minimal burden on employers and ensures compliance with the applicable laws. To accomplish this, the RRB intends to:

- *Continue to develop a system whereby employers can conduct daily business transactions and file required reports over a secure web-site or through other automated means.*
- *Continue to look for ways to encourage employers to file accurate and timely annual service and compensation reports.*
- *Monitor the number and types of protests by employees disputing the accuracy of their service and compensation records.*

Strategic Goal II: Serve as Responsible Stewards for Our Customers' Trust Funds and Agency Resources. The RRB is committed to fulfilling its fiduciary responsibilities to the rail community. At the President's proposed budget level, we plan to allocate \$24,368,188 and 196 full-time equivalent employees to this goal. We have established four objectives that focus on this goal.

Performance Goal II-A: Ensure that trust fund assets are projected, collected, recorded and reported appropriately. The RRB is committed to prudent management of its trust funds. Our success in this objective is reflected through annual audited financial statements, actuarial valuations, our financial projections, debt collection, experience-based contribution rates, and payroll tax and railroad employee compensation reconciliations. To accomplish this commitment, we will:

- *Continue to issue annual audited financial statements.*
- *Continue to perform the RRB's actuarial valuations and financial projections.*

- *Continue to estimate the RRB's funding requirements for the Dual Benefits Payments Account.*
- *Continue to carry out the RRB's debt collection policy.*
- *Continue to accurately and timely determine the experience-based contribution rates required under the unemployment and sickness insurance program.*
- *Verify that payroll taxes are fully collected and properly recorded.*

In support of the President's initiative to improve financial performance, on November 10, 2005, we released our Performance and Accountability Report for fiscal year 2005. The RRB's OIG issued an unqualified ("clean") opinion on the RRB's 2005 financial statements, which were included in that report. In their evaluation of internal controls, the OIG noted a material weakness related to the RRB's information security program. The OIG's report also noted weaknesses related to performance measures and the actuarial projection process which we did not classify as material weaknesses. Significant efforts are underway to strengthen controls in these areas.

Performance Goal II-B: Ensure the integrity of benefit programs. As part of our fiduciary responsibilities to the rail community, we must ensure that the correct amount of benefits is being paid to the right people. We match our benefit payments against the Social Security Administration's earnings and benefits database, the Centers for Medicare and Medicaid Services' death records, the Office of Personnel Management's benefit records, and State wage reports, usually via computer tapes, and administer other benefit monitoring programs to identify and prevent erroneous payments. We also refer some cases to the RRB's OIG for investigation. After investigation, the Inspector General may pursue more aggressive actions, which include civil and criminal prosecution.

We measure the effectiveness of the program integrity efforts each year by comparing the dollars collected or saved through these initiatives to their cost. For example, in fiscal year 2005, the RRB invested the equivalent of over 24 full-time employees, at a cost of approximately \$1.93 million, in program integrity efforts. This resulted in \$9.1 million in recoveries, \$770,000 in benefits saved, and the referral of 215 cases to the OIG for investigation. This is approximately \$5.11 in savings for each \$1.00 invested in these activities.

To accomplish this objective, we will:

- *Maintain established matching programs.*
- *Explore opportunities for additional matching programs where cost-effective.*
- *Continue our program integrity reviews.*

Performance Goal II-C: Ensure effectiveness, efficiency, and security of operations.

How we do our business is a critical component of good stewardship. The RRB is committed to effective, efficient and secure internal operations. Many factors and programs contribute to this goal. We have ongoing programs which help us assess our performance in these areas. We use our management control review process as a means of reviewing critical agency processes in order to provide reasonable assurance of the effectiveness and efficiency of our programs and operations. If material weaknesses are detected, we take corrective action. In addition, we perform a variety of quality assurance activities to ensure that our benefit programs comply with established policies, standards and procedures. We consider the findings from these reviews as we plan our information technology initiatives. To achieve our goals for efficient, effective and secure operations, we will:

- *Continue to develop an effective succession planning program.*
- *Ensure the privacy and security of our customers' transactions with the RRB.*
- *Improve our ability to control and monitor information technology investments.*
- *Continue to seek ways to increase competitive sourcing opportunities.*
- *Make greater use of performance-based contracts.*
- *Expand our participation in e-Government initiatives.*
- *Transition our mainframe non-relational database management system to a current technology relational database management system.*

**Fiscal Year 2007 Information Technology
Capital Plan Investments**

Infrastructure leases	\$150,000
Network operations.....	350,000
Infrastructure replacement	183,000
Database mgt. system conversion.....	1,557,000
e-Government	350,000
Information security	<u>110,000</u>
Total investments.....	\$2,700,000

See the IT Initiatives tab for more information.

In addition to our ongoing activities, during the planning period we will be placing special emphasis on strategic management of human capital, competitive sourcing and expanded electronic government. These have been identified as key areas in the President's Management Agenda.

Strategic Management of Human Capital – Strategic management of human capital is a primary initiative of the President's Management Agenda. Accordingly, the RRB has focused on several aspects of the human capital standards. Furthermore, we are using the Human Capital Assessment and Accountability Framework as a guide to help us meet the standards. Following are some of the initiatives we have undertaken as we strive to make the transformation.

In the summer of 2004, the RRB's Executive Committee (EC) issued a proposal for operational and organizational changes to the Board Members. This proposal stemmed from a series of meetings the EC had with a professional facilitator affiliated with a government consulting program at a local university. Their proposed approach was based on the objective of maintaining the quality and timeliness of RRB operations in all areas to the maximum extent possible within likely budgetary constraints. The agency's two strategic goals of

customer service and stewardship were key considerations in the EC's deliberations, as virtually everything the agency does is geared toward those two areas.

As a result, the EC seriously considered the impacts and risks of altering, reducing, or discontinuing any activities or functions that would have an adverse impact on service or program integrity. The key elements of the EC's proposed strategy were as follows:

- Organizational restructuring for more stable and flexible customer service;
- Competitive sourcing of commercial activities where cost-effective;
- New cost efficiencies through technology; and
- Other cost reductions, including staffing and policy changes, as needed.

The Board Members also approved establishment of two in-house committees to review the agency's field service structure and to evaluate possible outsourcing of certain information technology activities, including the agency's mainframe-based data center. Both areas were key components of the final EC report. At the same time, the Director of Administration was directed to look at the possibility of outsourcing document production services.

Since that time, the RRB has been in contact with the U.S. Government Printing Office (GPO) to identify potential approaches to alternative delivery of document production utilizing commercial sources. (Because the RRB print shop is chartered by the Joint Committee on Printing, the agency approached GPO in lieu of a standard or streamlined cost comparison under the provisions of OMB Circular A-76.) The Chief Information Officer has also undertaken a review of data processing and technology services to identify possibilities for competitive sourcing. Lastly, in December 2005, the RRB awarded a contract to Hewitt Associates to conduct an independent review of the in-house proposal to restructure the field service in order to identify any additional opportunities for increased efficiencies and savings while maintaining high service levels.

Complementing the hiring plan and organizational realignment, the RRB will make greater use of training as part of its ongoing succession-planning efforts. Following a contractor review of non-technical training needs, the agency reactivated its Training Council to enhance its capabilities in this area. A key activity by this group will be improved management-development programs, particularly in response to anticipated guidance on this subject from the Office of Personnel Management. During fiscal year 2005, the RRB conducted a week-long training session for about 30 new supervisors, the first such training offered in several years. In addition, the agency making greater use of a feature on the agency's intranet called *RRBVision* that allows employees to view training, including a video component, in an on-line format. This is particularly important for employees and managers in the RRB's field offices. This facility will also be made available on the agency's web-site in order to provide on-line training to rail employers and others. In a related development, the agency has made increasing use of other on-line training, such as courses on OPM's *GoLearn* site (recently renamed *USALearning*), particularly in the area of computer security.

Competitive Sourcing -- In 2005, the RRB listed 7 commercial activities on its Federal Activities Inventory Reform (FAIR) Act inventory encompassing 119 FTE's. The inventory submitted to OMB for review and approval was largely unchanged from the previous year, though it reflected reduced staffing levels. As mentioned previously, in response to the EC's proposal to restructure the agency to reduce costs and improve efficiency, the three-member Board approved formation of an in-house committee to review the possibility of competitively sourcing some information technology activities and functions. Similarly, the Board Members approved a review of document production services, and the agency is working with the GPO to determine the feasibility of having an on-site facility operated by a contractor. The RRB will continue to look for opportunities to use the streamlined procedures in the revised OMB Circular A-76 to conduct cost comparisons on commercial activities.

Also, while not conducted as a formal review under OMB Circular A-76, the RRB did select approved contractors to provide payroll processing and travel management services, as mandated by two separate e-Government initiatives. In both cases, the RRB reviewed the approved contractors and selected the one that provided the best combination of value and service. In both cases, but particularly with respect to payroll processing, the contractors are engaged in activities previously performed by RRB staff.

Expanded Electronic Government -- Our purchasing staff publishes all required and many optional procurement notices via an Internet connection to the government-wide, point-of-entry web-site (www.FedBizOpps.gov). The notices include pre-solicitation and award notices, as well as market surveys. We also have over 90 employees authorized to use government procurement cards for rapid micro-purchases or other simplified acquisitions. For the past 4 years, the RRB has used an Internet-based ordering system for office supplies, with next-business-day delivery in most cases, under a competitively awarded contract.

In fiscal year 2005, we added the capability for customers to submit unemployment insurance claims on-line, to review the status of their unemployment and sickness insurance claims and payments via the

Fiscal Year 2007 e-Government Initiatives

*File for sickness benefits through the Internet
Expand interactive voice response services*

Internet, and to request duplicate tax statements via our interactive voice response (IVR) telephone line. In 2006, we expect to complete an initiative to allow our Medicare contractor to file notices of death and changes of address via our web-site, and to implement the pre-payment and post-payment verification processes for rail employers as part of the Employer Reporting System. In 2007, we plan to expand IVR service to allow customers to check on the status of their RRA annuities, and we will expand Internet services to include filing biweekly claims for sickness insurance benefits. We will also continue to work on expanding our Employer Reporting System to file consolidated annual reports via the Internet. This project is due to be implemented in early fiscal year 2008.

Our plan assumes there will be no change in agency priorities or resource allocations that would draw support from these initiatives. Also, the number and functionality of options provided will be constrained by available funding.

Database Management System Conversion - In November 2003, the RRB requested that Gartner, Inc. provide an objective, third-party risk assessment of the RRB's continued use of Computer Associates (CA) Integrated Database Management System (IDMS) as a strategic database platform to support the mission critical application requirements of the RRB. Gartner's 2003 analysis determined that IDMS is a declining technology that is nearing the end of its useful lifecycle. Gartner recommended that the RRB begin investigating alternatives for IDMS within 3 years and prepare to actively retire the platform beyond the 3-year timeframe. The conversion is important on a number of levels:

- The business risk of CA's continued long-term support of IDMS,
- RRB's declining in-house expertise,
- The lack of third-party tools that interface with IDMS, and
- The strategic development of new applications.

The RRB established a team to analyze alternative solutions. The team reviewed existing marketplace technologies and our environment and made the determination that a move to IBM's DB2 relational database, which is a mainframe product, would be the best fit for the agency. The agency made the choice to move to a DB2 environment due to the high cost of other database management systems combined with the compatibility of DB2 with our existing software. Recent Gartner research continues to support the agency's decision to move to a more current technology.

DB2 is already licensed and installed at the RRB. The agency is paying maintenance and licensing fees as well as supporting two mainframe databases. Changing business needs and requested enhancements to our existing systems result in continual modifications to our IDMS database systems. These daily modifications increasingly add to the complexity and cost of the conversion project.

Due to the aging workforce at the RRB, our IDMS expertise is declining at a rapid rate. The number of individuals in the marketplace with IDMS skill sets is increasingly limited and IDMS training is virtually non-existent. Gartner's analysis also stated, "RRB's workforce trends coupled with a significantly diminished pool of available contract assistance poses a significant risk to providing support for existing and future CA-IDMS supported applications."

The availability of products compatible with IDMS from independent software vendors is extremely limited. In addition, the number of third-party tools available to work with IDMS is quickly declining and many may become obsolete in the near future. Complicating the issue of limited third-party software is the fact that IDMS was not designed to support web-based application development and does not readily support the Microsoft technologies. Continuing the use of IDMS would delay the RRB's e-Government initiatives because it would be very difficult and expensive to implement further initiatives without a relational database.

For these reasons, in September 2005, the agency awarded a contract to Tiburon Technologies to fully convert the agency's IDMS/DB-DC environment into a DB2/CICS environment. The work covered under the contract will cost approximately \$2.7 million, and should be

completed in the spring of 2007, although there will be ongoing activities such as testing and training beyond that date.

Performance Goal II-D: Effectively carry out the responsibilities of the Railroad Retirement Board under the Railroad Retirement and Survivors' Improvement Act of 2001 with respect to the activities of the National Railroad Retirement Investment Trust.

Although the RRB no longer has primary responsibility for the investment of the trust fund monies, it continues to have responsibilities in ensuring that the National Railroad Retirement Investment Trust, and its seven-member Board of Trustees, comply with the provisions of the Railroad Retirement Act. This responsibility will be fulfilled through review of the monthly reports submitted by the Trust, the annual management reports submitted by the Trust, and the annual audit reports of the Trust's financial statements. In addition, the RRB's Board Members meet twice annually with the Trustees.

The RRB has authority to bring civil action should it detect any violation of the Railroad Retirement Act or non-compliance with any of the provisions of that Act.

Information Security Program

The RRB information security program continues to mature as a whole. In fiscal year 2005, we further strengthened the agency's critical infrastructure by installing a sophisticated Intrusion Detection System on the RRB network that provides comprehensive protection from a variety of cyber threats. The establishment of a Computer Emergency Response Team further enhanced the incident response capability. All end users had security awareness training and specific employees with significant information security responsibilities were provided with additional security education. The agency's disaster recovery capability is tested with periodic backup site recovery exercises. The Chief Security Officer, who heads the Risk Management Group, is responsible for the RRB's information security program; additional staffing in the group includes an Information Technology (IT) Security Specialist and an IT Assurance Analyst. Contractual support has provided additional resources to address effective risk management for specialized areas, as needed. Risk management at the RRB has been classified as either **strategic or operational**.

- **Strategic Risk Management:** The Chief Security Officer, who acts in the larger capacity of director of enterprise risk management, is responsible for strategic elements that include:
 - Planning and integrating enterprise-wide IT risk management policy, procedures and guidance.
 - Assisting business units in implementing certification and accreditation of the RRB's major applications and general support systems.
 - Coordinating agency-wide security policy as well as assessing and underwriting agency-wide security infrastructure and resource investments, and implementing effective enforcement solutions.
- **Operational Risk Management:** Various IT and business unit managers are responsible for day-to-day monitoring and management of the risk posture of the agency including: the administration of access rights (e.g., passwords); ultimate accountability for the integrity of information assets usually associated with application design and information ownership; and, security operations processes (research, monitoring, scanning, incident response management, reporting, and forensics).

RRB Administrative Circular IRM-8, The Information Security Program of the Railroad Retirement Board, and the RRB Information Systems Security Policy, Standards and Guidelines Handbook identify the responsibilities for security throughout the organization. During fiscal year 2006, the Risk Management Group will:

- monitor the RRB network utilizing the Intrusion Detection System;
- conduct a network vulnerability assessment with contractor support;
- take corrective actions to resolve audit recommendations;

- assist in developing procedures that improve proper use of access controls of LAN/WAN and mainframe systems;
- incorporate procedures for certification and accreditation into the system development life cycle in accordance with newly developed guidance and standards from the National Institute of Standards and Technology;
- provide for general awareness training for agency employees, and broaden the security education program to include all employees with responsibilities for information system security;
- pending available funds, obtain contractual support to develop a template for a security testing and evaluation methodology to be used for major application systems; and,
- conduct and/or oversee ongoing system security reviews and tests, and develop associated reports.

Exhibit

Railroad Retirement Board FY 2007 Final Performance Budget		2002 Actual ^{1/} (At \$97.6m)	2003 Actual ^{1/} (At \$99.35m)	2004 Actual ^{1/} (At \$100.7m)	2005 Actual ^{2/} (At \$102.5m)	2006 Appropriation (At \$101.5m)	2007 President's Budget Level (At \$103.5m)
<i>STRATEGIC GOAL I: Provide Excellent Customer Service</i>							
<i>Performance Goal I-A: Pay benefits accurately and timely.</i>							
I-A-1. Achieve a railroad retirement benefit payment recurring accuracy rate ^{3/} of at least 99%. (Measure: % accuracy rate)	Initial payments:	99.97%	99.91%	99.36%	99.96% through 3/31/05 ^{4/}	99.00%	99.00%
	Sample post recurring payments:	99.94%	99.70%	99.92%	99.94% through 3/31/05	99.00%	99.00%
I-A-2. Achieve a railroad unemployment/sickness insurance benefit payment accuracy rate ^{3/} of at least 99%. (Measure: % accuracy rate)	Unemployment:	99.12%	98.76%	99.91%	98.73%	98.00%	98.00%
	Sickness:	99.94%	100%	99.84%	99.94%	98.00%	98.00%
I-A-3. Achieve a railroad retirement case accuracy rate ^{3/} of at least 94%. (Measure: % of case accuracy)	Initial cases:	94.7%	93.6%	94.7%	96.4% through 3/31/05 ^{4/}	91.0%	91.0%
	Post cases:	98.2%	96.1%	97.8%	96.2% through 3/31/05	94.0%	94.0%
I-A-4. Achieve a railroad unemployment/sickness insurance case accuracy rate ^{3/} of at least 97%. (Measure: % of case accuracy)	Unemployment:	98.1%	98.5%	99.75%	98.01%	97.0%	97.0%
	Sickness:	99.5%	100%	99.25%	99.51%	97.0%	97.0%

Railroad Retirement Board FY 2007 Final Performance Budget	2002 Actual ^{1/} (At \$97.6m)	2003 Actual ^{1/} (At \$99.35m)	2004 Actual ^{1/} (At \$100.7m)	2005 Actual ^{2/} (At \$102.5m)	2006 Appropriation (At \$101.5m)	2007 President's Budget Level (At \$103.5m)
I-A-5. Railroad retirement employee or spouse receives initial annuity payment, or a decision, within 35 days of annuity beginning date, if advanced filed. (Measure: % \leq 30 adjudicative processing days ^{5/})	N/A	N/A	N/A	93.1%	92.0%	92.0%
I-A-6. Railroad retirement employee or spouse receives initial annuity payment, or notice of denial, within 65 days of the date the application was filed, if not advanced filed. (Measure: % \leq 60 adjudicative processing days ^{5/})	N/A	N/A	N/A	97.3%	94.0%	94.0%
I-A-7. Survivor annuitant not already receiving a benefit receives initial payment, a decision, or notice of transfer to SSA within 65 days of the annuity beginning date, or date filed (whichever is later). (Measure: % \leq 60 processing days ^{6/ 7/})	81.4%	86.0%	84.5%	92.8%	80.0%	80.0%
I-A-8. Survivor annuitant receiving benefits as spouse receives payment as survivor, notice of denial, or notice of application transfer to SSA, within 35 days of RRB receipt of the notice of employee's death. (Measure: % \leq 30 processing days ^{6/})	91.3%	91.8%	94.1%	94.6%	90.0%	90.0%
I-A-9. Applicant for any railroad retirement death benefit receives payment, or notice of denial within 65 days of date filed. (Measure: % \leq 60 processing days ^{6/})	96.0%	95.2%	95.4%	96.9%	90.0%	90.0%
I-A-10. Unemployed railroad worker receives UI claim form, or notice of denial, within 15 days of the date application filed. (Measure: % \leq 10 processing days ^{6/})	98.7%	100%	99.25% of cases sampled	99.8%	96.0%	99.0%

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I-A-11. Railroad employee unable to work due to temporary illness or injury, receives SI claim form, or notice of denial, within 15 days of the date application filed. (Measure: % \leq 10 processing days ^{6/})	99.3%	99.3%	99.4%	99.6%	96.0%	96.0%
I-A-12. Railroad employee, unemployed or unable to work due to temporary illness or injury, receives a payment for unemployment or sickness insurance benefits, or a decision, within 15 days of claim receipt. (Measure: % \leq 10 processing days ^{6/})	99.7%	99.7 %	99.7%	99.8%	98.0%	98.0%
I-A-13. Disabled applicant or family member receives notice of decision to pay or deny within 105 days of the date application for disability is filed. (Measure: % \leq 100 processing days ^{6/})	53.7%	56.3%	55.9%	67.9%	55.0%	58.0%
I-A-14. Disabled applicant receives payment within 25 days of decision or earliest payment date (whichever is later). (Measure: % \leq 20 processing days ^{6/})	94.2%	94.1%	94.8%	94.4%	92.0%	92.0%
I-A-15. Maintain an end-of-year normal carry-forward balance in targeted workload categories. (Measure: number on hand at end of year)	5,147	3,934	4,281	6,756	7,500	7,500
I-A-16. Reduce the number of days elapsed between the date the appeal is filed and a decision is rendered. (Measure: average elapsed days)	200	181	194	207	200	190
<i>Performance Goal I-B: Provide relevant, timely, and accurate information which is easy to understand.</i>						
I-B-1. Inquirer receives answer or acknowledgment of written correspondence within 15 days of receipt. (Measure: % \leq 10 processing days ^{6/})	98.9%	99.3%	99.3%	98.5%	95.0%	95.0%

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I-B-2. Achieve quality and accuracy of correspondence, publications, and voice communications. (Measure: surveys and reviews; number of valid challenges to published data)	Draft report completed in FY 2002 as scheduled	Deferred	ACSI survey deferred	Final report on widow(er)'s survey was completed in August 2005. RRB score of 90 was the highest of Federal agencies.	Conduct an ACSI survey	Conduct an ACSI Survey
	New indicator for FY 2003	No valid challenges to published data. The FY 2003 report was issued 01/23/04	No valid challenges to published data	No challenges to published data	No more than two valid challenges to published data in FY 2006	No more than two valid challenges to published data in FY 2007
I-B-3. Maintain the combined balance of unprocessed record corrections and cases requiring review for corrected tax statements below the end-of-year normal working level. (Measure: number on hand at end of year)	432	93	891	124	1,200	1,200
<i>Performance Goal I-C: Provide a range of choices in service delivery methods.</i>						
I-C-1. Offer electronic options to our customers, allowing them alternative ways to perform primary services via the Internet or interactive voice response systems. (Measure: # of services available through electronic media)	New indicator for FY 2005	New indicator for FY 2005	12 services available	14 services available	17 services available	19 services available
<i>Performance Goal I-D: Ensure efficient and effective business interactions with covered railroad employers.</i>						
I-D-1. Improve timeliness and efficiency in posting service and compensation data to agency records. (Measure: % of service and compensation records posted by April 15)	New indicator for FY 2005	New indicator for FY 2005	New indicator for FY 2005	95.0%	95.0%	95.0%

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I-D-2. Improve accuracy in posting service and compensation data to agency records. (Measure: % of service and compensation records posted accurately)	New indicator for FY 2005	New indicator for FY 2005	New indicator for FY 2005	99.0%	95.0%	98.0%
I-D-3. Covered employer annual reports of employees filed electronically, or on magnetic media. (Measure: % of employee records filed electronically, or on magnetic media)	98.2%	97.0%	97%	98.0%	97.0%	98.0%
I-D-4. Enable employers to use the Internet to conduct business with the RRB, in support of the Government Paperwork Elimination Act. (Measure: % of employers who use the new on-line reporting process (Employer Reporting System - ERS); # of services available through electronic media)	New indicator for FY 2003	Deferred	52.0% 4 Internet services available	55.0% 4 Internet services available	60.0% 6 Internet services available	60.0% 6 Internet services available
I-D-5. Resolve problem situations with covered employers timely and appropriately. (Measure: % of reported problems resolved within 90 days)	New indicator for FY 2005	New indicator for FY 2005	New indicator for FY 2005	100%	95.0%	97.0%
<i>STRATEGIC GOAL II: Serve as Responsible Stewards for Our Customers' Trust Funds and Agency Resources</i>						
<i>Performance Goal II-A: Ensure that trust fund assets are projected, collected, recorded and reported appropriately.</i>						
II-A-1. Debts will be collected through billing, offset, reclamation, referral to outside collection programs and a variety of other collection efforts. (Measure: funds collected vs. total debts outstanding)	64%	66%	69%	66%	55%	55%
II-A-2. Release quarterly and annual notices accurately and timely to employers regarding their experience rating based contributions. (Measure: Yes/No)	New indicator for FY 2005	New indicator for FY 2005	New indicator for FY 2005	Yes	Yes	Yes

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II-A-3. Complete compensation reconciliations at least 1 year before the statute of limitations expires. (Compensation reconciliations involve a comparison of compensation reported by railroad employers to the RRB for benefit calculation purposes with compensation reported to the IRS for tax purposes.) (Measure: % completed)	100% of the 1999 reconciliations by 2/15/02	100% of the 2000 reconciliations by 2/18/03	100% of the 2001 reconciliations by 2/20/04	100% of the 2002 reconciliations by 12/17/04	100% of the 2003 reconciliations by 12/15/05 (Actual)	100% of the 2004 reconciliations by 2/28/07
II-A-4. Perform monthly reasonableness tests comparing railroad retirement taxes deposited electronically, which represent over 99 percent of all railroad retirement taxes, against tax receipts transferred to the RRB trust funds by the Department of the Treasury (Treasury) to provide reasonable assurance the RRB trust funds are receiving appropriate tax funds. (Measure: reasonableness test performed and anomalies reconciled with Treasury (Yes/No))	New indicator for FY 2003	Yes	Yes	Yes	Yes	Yes
II-A-5. Prepare annual Performance and Accountability Reports (including audited financial statements and other financial and performance reports) by the required due dates. (Measure: Yes/No)	New indicator for FY 2004 (Financial statements completed timely)	New indicator for FY 2004 (Financial statements completed timely)	Yes. The FY 2003 P&AR was released in 01/04.	Yes. The FY 2004 P&AR was released on 11/10/04.	Yes	Yes
II-A-6. Take prompt corrective action on audit recommendations. (Measure: % of audit recommendations implemented by target date)	94.4%	94.1%	95.7%	88.4%	90.0%	85.0%
<i>Performance Goal II-B: Ensure the integrity of benefit programs.</i>						
II-B-1. Achieve a return of at least \$3.60 for each dollar spent on program integrity activities. (Measure: \$ recoveries & savings per \$ spent)	\$5.48: \$1.00	\$5.68: \$1.00	\$4.84: \$1.00	\$5.11: \$1.00	\$3.80: \$1.00	\$3.80: \$1.00
II-B-2. Maintain active wage matches with all 50 States to ensure the accuracy of benefit payments. (Measure: # of States matching)	50 States, Puerto Rico & Washington, D.C.	50 States, Puerto Rico & Washington, D.C.	50 States, Puerto Rico, Washington, D.C.	50 States, Puerto Rico & Washington, D.C.	50 States, Puerto Rico & Washington, D.C.	50 States, Puerto Rico & Washington, D.C.

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II-B-3. Ensure ongoing entitlement to disability by conducting continuing disability reviews. (Measure: # of continuing disability reviews on hand at the end of year does not exceed normal working balance. (Yes/No.))	New indicator for FY 2005	New indicator for FY 2005	New indicator for FY 2005	No	No	No
Performance Goal II-C: Ensure effectiveness, efficiency, and security of operations.						
II-C-1. Continue succession planning by ensuring there is a cadre of highly skilled employees available for key positions. (Measure for FY 2004 and FY 2005: # of position types (descriptions) for which core competencies have been defined	New indicator	New indicator	1 position	6 positions	See below	
# of employees whose skills have been assessed	New indicator	New indicator	39 employees	73 employees		
# of employees involved with skills-enhancement programs)	New indicator	New indicator	18 employees	31 employees		
(Measure for FY 2006 and later: structured succession planning activities are continuing – Yes/No)					Yes	Yes

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II-C-2. Annually assess/update all computer security, disaster recovery, and business resumption plans for the agency. (Measure: Yes/No)	New indicator for FY 2005	New indicator for FY 2005	Assessments and updates of all scheduled plans completed	Yes. The agency has completed a Business Impact Analysis and a Business Continuity Plan.	No. Only the assessments and updates of security plans for systems with major changes will be completed. The Business Continuity Plan will be reviewed and updated by 6/30/06. An IT Disaster Recovery Plan is in draft status with a final target date of 9/30/06.	Yes. The agency will contract with a third-party for assistance in performing the certification and accreditation of the major applications and the general support systems.
II-C-3. Develop and implement new procedures for responding to and reporting computer security incidents. (Measure: Yes/No)	New indicator for FY 2005	New indicator for FY 2005	Procedures have been developed, and reports of identified incidents are documented. The RRB also purchased an Intrusion Detection System (IDS).	Yes. The IDS was installed on 11/19/04, and was placed in operation on 2/12/05. The IDS tuning phase was completed by 6/30/05. Computer security incident procedures are in place and reports of incidents are documented.	Yes. The RRB will contract with a third-party vendor to perform network vulnerability assessments of its LAN general support system. This will be performed again in FY 2008.	Yes. The IDS is in full operation. A Computer Security Incident Response Team is established. Procedures are in place and will be updated as necessary. Reports of incidents will continue to be documented.

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II-C-4. Assess computer security training requirements and implement an ongoing training program for agency staff. (Measure: Yes/No)	New indicator for FY 2005	New indicator for FY 2005	Yes. Training needs were assessed and a security curriculum was developed based on audit findings. An ongoing awareness training program for computer users at the agency was completed with 100% participation by agency personnel.	Yes. The agency has established two training tracks. Track one provides technical expertise and functional skills for IT technical staff, and track two focuses on knowledge of security assessments, planning, policy development and safeguard controls. All employees requiring IT security education participate in track two; however, technical employees use both tracks.	Yes. The agency will continue with two training tracks. RRB technical staff require a track with specialized IT training as new skills and capabilities are needed to respond to technological changes. In addition, track one participants join with other staff who also have security responsibilities in the second track program for IT security training. All agency staff also complete a computer security awareness program.	Yes. The agency will continue with two training tracks. All agency staff will also complete a computer security awareness program.

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II-C-5. Implement a methodology to successfully estimate, track and monitor total costs and time schedules for information technology investments through the project life cycle, incorporating both web and mainframe investments. (Measure: Yes/No)	New indicator for FY 2005	New indicator for FY 2005	New indicator for FY 2005	The pilot portion of this multi-phase project was completed at the end of FY 05. All projects are now being entered and tracked in MS Project.	A post-implementation review will be ongoing for the remainder of FY 06 to tune the system to ensure that project measures are working for the IT environment.	We will evaluate expanding the use of the project management system to track non-IT related projects.
II-C-6. Assemble and publicize an annual inventory of RRB commercial activities on the RRB Website. (Measure: Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes
II-C-7. Complete public-private competitions on the required activities listed on the Federal Activities Inventory Reform (FAIR) Act inventory. (Measure: % of the FTE's listed on the FAIR Act inventory for which competitions completed)	5%	5% (cumulative)	5% (cumulative)	5% (cumulative)	Meet target level established by OMB	Meet target level established by OMB
II-C-8. Meet government percentage goal for use of performance-based contracting techniques for eligible service contract funds. (Measure: Yes/No)	New indicator for FY 2005	New indicator for FY 2005	New indicator for FY 2005	Yes	Yes	Yes
II-C-9. Support government-wide procurement of e-Government initiatives using the point of entry vehicle of www.FedBizOpps.gov for all eligible actions. (Measure: Yes/No)	New indicator for FY 2005	New indicator for FY 2005	New indicator for FY 2005	Yes	Yes	Yes
II-C-10. Complete migration from the agency's current payroll system to the consolidated Federal e-Payroll system. (Measure: Meet target dates for the migration. Yes/No)	New indicator for FY 2004	New indicator for FY 2004	Yes	FY 2004 goal	FY 2004 goal	FY 2004 goal

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II-C-11. Complete migration from the agency's current mainframe database management system (IDMS) to DB2, and initiate efforts to optimize the performance of those databases and further reduce data redundancy. (Measure: Meet target dates for the migration. Yes/No)	New indicator for FY 2007	New indicator for FY 2007	New indicator for FY 2007	New indicator for FY 2007	New indicator for FY 2007	Yes
<i>Performance Goal II-D: Effectively carry out the responsibilities of the Railroad Retirement Board under the Railroad Retirement and Survivors' Improvement Act of 2001 with respect to the activities of the National Railroad Retirement Investment Trust.</i>						
II-D-1. Review monthly reports submitted by the Trust. (Measure: Yes/No)	New indicator for FY 2004	New indicator for FY 2004	Yes	Yes	Yes	Yes
II-D-2. Review annual management reports submitted by the Trust. (Measure: Yes/No)	New indicator for FY 2004	New indicator for FY 2004	Yes	Yes	Yes	Yes
II-D-3. Review annual audit reports of the Trust's financial statements. (Measure: Yes/No)	New indicator for FY 2004	New indicator for FY 2004	Yes	Yes	Yes	Yes

^{1/} Dollar amounts shown are funds appropriated for the fiscal year.

^{2/} Actual results for fiscal year 2005 represent status as of 9/30/05 unless otherwise noted. The dollar amount shown is the funds appropriated for fiscal year 2005.

^{3/} The payment accuracy rate is the percentage of **dollars** paid correctly as a result of adjudication actions performed. The case accuracy rate represents the percentage of **cases** that do not contain a material payment error. Case accuracy rates reflect only those errors that are detected as a result of reviewing award actions performed during the fiscal year being studied. (A material error is (1) an incorrect payment of \$5.00 or more at the point the error is identified, (2) an incorrect payment of less than \$5.00 totaling 1 percent or more of the monthly rate, or (3) any situation in which a non-entitled benefit is paid.

^{4/} Does not include seven pending cases which may or may not result in a material error.

^{5/} In audit report 05-05, dated May 17, 2005, the OIG found problems with the performance data for these indicators. For that reason, we are not reporting performance for prior years. One significant problem has been resolved, allowing us to report performance for fiscal year 2005. However, there still some system limitations that prevent inclusion of all internal processing time in the performance data. We are addressing these issues.

^{6/} Measure does not include the time for customer receipt (from the U.S. Treasury or Postal Service).

^{7/} We have recently become aware of measurement and reporting inconsistencies which resulted in a net understatement of actual performance. These inconsistencies have been corrected effective with April 2005 data. Therefore, this report is for the last 6 months of fiscal year 2005. Even though understated, prior year data are still included in this report, to demonstrate that even with the inconsistencies, the performance goal was still exceeded.